

**Access to Microfinance & Improved Implementation of Policy Reform  
(AMIR Program)**

**Funded By U.S. Agency for International Development**

**TARGET SPECIFIC SURVEY - ZARQA**

Final Report

**Deliverable for SMI Component, Task No. 3.3.9  
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## I. Introduction

It is a principal objective of the AMIR Program to foster the expansion of financial services to Jordan's microenterprises. To meet this goal, AMIR provides assistance to the Jordan Micro Credit Company (JMCC), the Jordan Woman Development Society (JWDS) and the Al-Ahli Microfinancing Company (AMC), so that, in time, they will be able to manage self-sustaining, profitable microcredit programs.

In March 2000, AMIR commissioned CDG/Al Jidara to conduct a market survey in the city of Zarqa with the ultimate purpose of assisting the aforementioned microfinance institutions (MFIs) in their design and introduction of demand-driven loan products. The survey determined the general profile of the micro-enterprise market in Zarqa, including personal and business information of respondents, as well as their willingness or unwillingness to solicit loans from MFIs. Furthermore, a typology of micro-entrepreneurs, expressed in terms of credit worthiness (risk) and potential for loan demand, was constructed.

Conduction of the survey took into account both registered (formal) establishments and unregistered (informal) businesses. To survey formal businesses, a sample was obtained from data on business licenses provided by the Zarqa Municipality. Accordingly, as of March 2000, there were a total of 11,444 registered businesses in Zarqa. A total of 736 businesses, that is, 6% of the total number of registered enterprises in Zarqa, were surveyed.

Unfortunately, as regards informal establishments, there is lack of reliable statistics and studies on its composition and characteristics. An approximation into this part of the population was done by considering only the sectors of food, garment manufacturing, general services, handicrafts, retail trade and hairdressing, all of which are most likely to exhibit substantial numbers of informal enterprises that are managed by women. It was further assumed that the number of informal enterprises would roughly correspond to 100% of total formal businesses related to such sectors. But the research team found it impossible to reach that many. In the end, the total number of informal micro-enterprises that was surveyed in Zarqa totaled 455.

The survey, therefore, was conducted on a sample that totaled 1,191 micro-enterprises, of which 932 (78%) were run by male micro-entrepreneurs and 259 (22%) by females. With respect to their distribution by business activity, the survey shows that almost 60% of the sample are concentrated in retail trade. (See frequency table for QD in Annex B, page 2).

A key objective of the survey was to assess more rigorously the structure of micro-enterprises, their relationship with suppliers, borrowing alternatives, and the potential for loan demand, including most preferred terms and conditions. To this end, a total of 826 micro-enterprises was included for this type of analysis, all of them corresponding to the predominant typology of the market or considered to be low risks.

It must be stated, on the other hand, that the conduction of the survey was riddled with difficulties as regards data collection. In many an occasion surveyors had to fill the questionnaires under less than

friendly circumstances. In addition, and unlike the survey conducted in East Amman, the fieldwork was done in just one stage. This meant that the surveyors visited the 826 establishments selected for in-depth analysis only once. This made it all but impossible to verify the accuracy of data related to disposable income and cash flow of respondents. For this reason, neither disposable income nor cash flow were analyzed and, consequently, are exempted from this report.

Two annexes accompany the report. Annex A, details the questionnaire that was used in the survey. Annex B details the survey statistics, that is, the frequency tables corresponding to the main questions of the survey. Given the importance of gender, most of the tables show both, the male and female sub samples, responded to those questions.

## II. Basic Profile of the Market

74% of males operate formal businesses, whereas as much as 81% of the female sample run informal businesses.

Formal and informal businesses were profiled by risk and potential demand for loans.<sup>1</sup> Ideally, for any MFI, the ideal market is composed of borrowers who feature very low probability of loan default, that is, that they are very good risks, and, on the other hand, high potential of effective loan demand. In the context of Jordan, the ideal micro-enterprise customer constitutes a type that exhibits the following characteristics:

- 5 to 10 employees

- Market value of assets (excluding land and building) below JD2,000.

- A ratio of total sales to total cost of inputs below 1.3

- Has previous or existing transactions with money lenders.

- Has access to loans from friends and relatives

- Has access to trade or supplier loans.

- Inability to finance expansion solely from retained earnings.

- Previous use of formal loans

- References on his/her character given by a supplier.

- Has sources of income other than those generated by business.

- Is older than 35 years old.

- Has dependents attending school.

- Owns any real estate.

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<sup>1</sup> Arbitrary weights were assigned to responses on questions associated with risk and potential demand behavior. Those for risk included: age (Q1), dependents attending school (Q2), ownership of assets (Q3), character reference (Q4), other sources of income (Q5), years operating the business (Q6) and the relationship between sales and loan size. Those for potential demand were: number of employees (QA), willingness to borrow (Q8), estimated value of business assets (Q17), access to informal, moneylender and trade loans (Q18, 19, 20), ability to self fund investments (Q21), previous application or use of formal loans (Q22), and profitability (Q23).

Has been operating the business more than 3 years.

This ideal type, that is, one that combines low risks and high potential for loan demand, is virtually non-existent in Zarqa. In fact, the distribution of respondents per specific typology indicated that a meaningless number – only 2 out of the 1,191 micro-enterprises that were surveyed -- featured the characteristics cited above.

Six other typologies were considered: low risk/moderate potential, low risk/low potential, moderate risk/high potential, moderate risk/moderate potential, moderate risk/low potential and high risk. What then is the typical profile of the micro-enterprise customer in Zarqa? The answer is straightforward: 67% of the sample were grouped in the moderate risk/moderate potential typology. (See sample distribution by typology in Annex B, page 2). Furthermore, if the total micro-enterprises surveyed exclude the respondents grouped under high risk, (11% of the sample, or 131 micro-enterprises which the MFIs would do well in ignoring them altogether), the percentage of surveyed customers who fall under the moderate risk/moderate potential rises significantly to 76%.

It is therefore safe to conclude that MFIs in Zarqa face a micro-enterprise market that is moderately risky and with a potential for loan demand that is neither high nor low. The following characteristics are likely to be prevalent in potential customers:

- In almost three out of four cases the business is operated by just one person (the owner).
- Market value of assets (excluding land and building) averages JD1,500.
- Ratio of total sales to total cost of inputs: approximately 1.6
- Predominantly unwilling or unable to obtain loans from money lenders.
- Generally has no access enough to loans from friends and relatives
- In two out of three cases there is access to trade or supplier loans.
- Generally unable to finance expansion solely from retained earnings.
- In three out of four cases there is no previous experience with respect to formal loans
- In four out of five cases suppliers can be enlisted to provide references on his/her character.
- In 70% of cases, only source of income is that generated by business.
- Is older than 35 years old.
- Has dependents attending school.
- May or may not own land or car.
- Has been operating the business more than 3 years.

### **Willingness to Borrow**

Significantly, 76 per cent of the surveyed micro-enterprises expressed willingness to solicit a loan from MFIs. Extrapolating this percentage to the number at large of formal and informal micro-enterprises in Zarqa brings a total of 14,182 of micro-enterprises with revealed interest to borrow. This interest was also confirmed indirectly, for the surveyed micro-enterprises were asked if they wanted to be visited by loan officers. To this question, 99% of the sample responded affirmatively.

Table 1 provides information on willingness to borrow, according to gender and type of business. As shown, women are relatively more willing to borrow than men. The fact that informal businesses are predominantly run by females probably explains why this type of business exhibits relatively higher potential demand than registered establishments.

**Table 1. Willingness to Borrow**  
(in percentages)

	Sample	Male	Female	Formal	Informal
Yes	76	73	11	29	86
No	24	27	89	71	14

The surveyed micro-enterprises were asked for what amount they would be willing to request a loan. Close to two thirds of respondents are willing to request loans that range in size from below JD200 to JD4,500. (See frequency table for Q9 in Annex B, page 7).

A better picture emerges when business activity is considered. Table 2 depicts sector data on willingness to borrow. It reveals that over two thirds of requested loans by micro-enterprises in both garment manufacturing and handicraft are grouped in sizes that range between JD200 and JD3,000. This is consistent with the fact that micro-enterprises in these sectors are mainly informal and operated by women. More than half of retail trade firms are also grouped in this range. On the other hand, food processing, metal workshops and restaurants, sectors that concentrate a substantial number of formal establishments, show a significant percentage of requested loans above JD4,500.

**Table 2. Willingness to Borrow by Sector**  
(in percentages)

Sector/JD	<200 - 650	651 - 1000	1001 - 2000	2001 - 3000	3001 - 4500	>4501
Garment	18.8	8.3	27.1	14.6	14.6	16.6
Handicraft	26.0	20.5	23.3	8.2	2.7	19.3
Food Processing	5.9	11.8	-----	11.8	11.8	58.7
Hairdresser	12.3	16.9	23.0	12.3	4.6	30.9
Wood furniture	-----	4.2	20.9	20.8	16.7	37.4
Metal Workshop	-----	-----	11.1	11.1	-----	77.8
Retail Trade	5.2	13.8	19.8	15.8	6.9	38.5
Restaurant	-----	3.7	25.9	14.8	7.4	48.2
General Services	5.3	9.9	25.2	15.3	4.6	39.7

24% of the sample, that is, 279 micro-enterprises, stated that they were not interested in soliciting loans from MFIs. They were asked to state the principal reasons: 40% of these respondents indicated that they were in no need for soliciting loans. Religious beliefs were cited by 17% of the respondents, while fear of inability to repay loans and unwillingness to incur debts accounted each for 26% and 12% respectively.

## Current Sources of Financing

When queried about current sources of finance, only a minority of micro-entrepreneurs in Zarqa (10%) pointed to bank loans. One third of the sample pointed to cash or profits and another third indicated that they were bereft of financing sources. (See frequency table for Q41 in Annex B, page 13).

Micro-entrepreneurs were asked whether they had previous experience with formal loans. Only 96 indicated that they indeed had received a loan in 1999. 70% of these used the loans for business purposes, whether to finance working capital or fixed assets. The mean value of these loans was JD1000.

The results from the survey indicate that slightly more than half (53%) of the sample owns no fixed assets.

## Size of Operation and Location of Business

Establishments with zero number of employees dominate the sample. In fact, as much as 70% of the sample is composed of sole operations. Micro-sized operations (1 to 4 employees) account for 29% and small- sized operations (5 to 10 employees) account only for 1%.

Table 3 provides information on size of operation within sectors. It reveals that sole operations are heavily concentrated in garment manufacturing (90%) and handicraft production (95%), sectors, which are dominated by female-run informal establishments. On the other hand, micro-sized operations are more prevalent in wood/furniture making, metal workshops and restaurants.

**Table 3. Size of Operations in Business Sectors: Sample Distribution**  
(in percentages)

Sector	Sole	Micro	Small
Garment	90.4	9.6	-----
Handicraft	95.1	4.9 -----	
Food Processing	41.7	29.2	29.1
Hairdresser	58.3	41.7	-----
Wood furniture	32.5	65.0	2.5
Metal Workshop	6.3	93.7	-----
Retail Trade	76.4	23.4	-----
Restaurant	32.5	60.0	7.5
General Services	54.5	43.0	2.5.

As regards business location, the sample indicates that almost 80% of establishments are located in stores. 17.3% of respondents stated that they operated out of their homes, and 2.4% in the street. (See frequency table for Q15 in Annex B, page 3).

## Education and Character Reference

What is the educational profile of the typical micro-entrepreneur in Zarqa? The results from the survey indicate that only 6% of respondents were illiterate, while approximately 60% have completed basic or secondary education. (See frequency table for Q13 in Annex B, page 5). It is to be noted, however, that females are at disadvantage with respect to males. In fact, as much as 48% of female respondents have not obtained secondary education and 20% are illiterate.

As regards character reference the survey results indicate that four out of five respondents rely on suppliers as sources willing to vouch for their good will or reputation. (See frequency table for Q4 in Annex B, page 6).

## III. Analysis of the Market

The discussion that follows is based on responses obtained from non-high risk 825 micro-enterprises.

### *Basic Socioeconomic Facts*

On average, micro-entrepreneurs have five family dependents.

Slightly more than half (52%) own their own house

38% pay rent, which on average is JD58

37% depends on other family members and other work and rents to meet household expenditures (family expenses).

Only 8% receive remittances from abroad, which average JD2,540 yearly

Monthly living expenses (food, clothing, transportation, etc) average JD254

Inability to cover family expenses is more pronounced among female micro-entrepreneurs. In fact, 63% of females reported a shortfall, as opposed to 29% of males.

How is the shortfall of income (in all those who cannot meet monthly family expenses) covered? 20% of male entrepreneurs and 70% of female respondents pointed to income earned by other family members. Other significant responses included pension funds (43% of males and 17% of females) and financial help from family and friends (9% of males and 8% of females).

### *Structural Characteristics of Establishments*

Business is predominantly non-seasonal (99% of respondents).



13% of respondents reported manufacturing for others without purchasing inputs. In 50% of these cases, lack of financing was cited as reason for inability to buy inputs.

Almost a third the respondents indicated that they have no immediate competitors. This is more prevalent in the female sample (45%) than among males (29%).

Almost one third of respondents (29%) stated that they operated in a “very busy” business location

95% of respondents reported that they advertise only by “word of mouth.”

In 97% of cases the form of payment for sales to customers is cash.

Respondents provided important and revealing information on their financial situation. Highlights follow:

More than one third (38%) do keep administrative records on business transactions. This is more prevalent among males (39% of the male sample) than among females (33%).

The median value for the cost of start-up operations JD500. For males the value is JD850 and for females JD50.

The median value of annual operating costs (excluding merchandise purchases) is JD900. There is a striking difference by gender: for males the median is JD1,179 and for females JD46.

The median value of profits on female-run establishments is zero percent, while that for male-run firms is 15%

One third stated that they cannot meet demand for their products from the income generated. On average, what they need is JD411 monthly to satisfy such market demand. For females, this is significantly less (JD200).

56% of males and 55% of females can set aside money for savings. 33% of those males that can save place their savings in financial institutions, in contrast with 17% of female savers who do so.

### *Outlook for Business Growth and Expansion*

86% of respondents stated that they would like to expand their businesses.

36% of respondents indicated that their businesses will not grow significantly in the next year because of the likelihood of an adverse economic situation and/or low purchasing power of the population.

37% of respondents indicated the expectation for business growth for next year because of successful implementation of plans and the presence of a better economic environment.

21% of respondents that the availability or unavailability of financial services will determine whether or not their businesses will grow in the next year.

What are the most important obstacles that block expansion of establishments in Zarqa? A third of respondents cited the existence of weak demand for their products. But this is more important for males (26% of the male sample) than for the female sample (15%). Also, 20% of the male sample and 31% of the female sample stated that unavailability of financing sources was a constraint. On the other hand, 25% of females reported that there were no major obstacles, as opposed to 16% of males.

### *Relationship with Suppliers*

22% of the surveyed micro-enterprises use supplier credit to pay for 74% of their purchases. The rest of the sample (78%) pay suppliers in cash to pay for 86% of their purchases.

Of the establishments that pay suppliers with cash, 86% stated that they have never requested a supplier credit. The main reason that was cited was that there was no need (63%). 20% reported that they do not like to incur in debt. .

Form of payment to suppliers varies according to sector. Micro-enterprises in garment manufacturing, handicrafts, general services and retail trade pay overwhelmingly in cash -- 94%, 86%, 80% and 77% respectively -- whereas the proportion of credit purchases in metal workshops and restaurants is 44% and 31% respectively.

The median value of supplier credit is JD102, drawn upon as often as 37 times in a year.

A third of those using supplier credit signed post dated checks and 20% reported having problems in meeting payment schedules, mainly due to insufficient income or cash revenues. These problems are solved primarily by rescheduling of payments (71% of cases) and to a lesser extent by soliciting loans from informal sources (18% of cases).

The average interest charge was 6%, applicable in 57% of respondents that were given supplier credit. In 43% of cases no interest rate was levied on the credit.

Analysis of supplier credit by gender, not surprisingly, shows marked differences. The median value of credit for males is JD125 and for females JD31. Males solicit credit as much as four times per month and females just 7 times in a year. Loan tenor is on average 43 days for males and 25 for females (median is 30 days in both). Interest rates, when charged, are 6% for males and 4% for females.

### *Informal Loans*

Only 28% of respondents have ever requested an informal loan. Sources of informal loans are predominantly from relatives (49% of respondents) and friends (46% of respondents). No informal loans were given by moneylenders. As regards gender, females request relatively more informal loans (35% of female sub-sample) than males (25% of male sub-sample) and rely more on family sources (64%) than males (41%).

On average, females requested 2 informal loans last year whereas the average for males was 1.7. The median value of these loans was JD500 for males and JD200 for females. The median tenor was 60 days for both males and females. All females and 97% of the males were not charged interest.

Loan turnaround time, that is, days elapsed between loan request and disbursement, is very short 1 day for both males and females.

### *Previous Credit Experience*

28% of respondents have requested in the past formal loans but only 96 micro-entrepreneurs received one in the last year. Loans were provided by banks (in 55% of cases) and by financial NGOs or PVOs (45%). Loans were mainly for business purposes (70% of cases), the rest were consumer loans.

The median value of these loans was JD1,000 with a median loan tenor of 13 months and interest rate of 12.6%. Types of collateral demanded were mainly a guarantor and a bank account. 57% of those that received loans were satisfied with these conditions.

The median value of collateral as related to the loan value was 100%.

Of those not satisfied with loan conditions, 75% cited high interest rates.

5% of those that received a loan admitted having been late in repayment schedule, due entirely to cash flow problems.

### *Preferred Loan Terms*

The survey unearthed very important findings. The most important are highlighted:

The median value of an affordable monthly loan installment is JD60, including an administrative fee. For males this is higher (JD75) than for females (JD50). Males considered an acceptable administrative fee -- expressed as a percentage of the loan amount -- of 6% and females 3% (median is 3% for males and 0% for females).

Only 19% of respondents objected to MFIs charging an administrative fee. Both male and female who do object attribute their objection primarily to religious beliefs.

98% of males and all females expressed their preference for loans with monthly repayment schedules.

Only a minority of males (9%) and of females (17%) want consumer loans. The overwhelming majority in both types of borrowers is for loans destined to finance business expansion.

As regards collateral, half of the female respondents stated that they would prefer a guarantor, while 19% reported offering no collateral. With respect to males, only a small percentage (12%) reported offering no collateral. Within males, the prevalent type of collateral would be a guarantor and fixed assets, cited by 40% and 34% respectively of the male sample.

What incentives from MFIs would micro-entrepreneurs want in exchange for prompt and full repayment of loan? Findings of the survey are interesting:

63% of the sample stated that an immediate release of the next loan would be the best incentive in order to keep borrowing from MFIs.

15% of the sample believed that the best incentive would be expressed in benefits from lower administrative charges.

10% of respondents cited as best incentive the return of administrative charges levied in the previous loan.

Higher loan amounts and longer loan tenors were cited as third best incentive by 32% and 33% respectively.

Almost 26% of respondents reported not being interested in incentives for the simple reason that they do not foresee soliciting a second loan.

## Conclusions

The survey shows that there is potential for the expansion of financial services to the benefit of micro-entrepreneurs in Zarqa. MFIs can target as many as 14,186 small formal and informal establishments, which have expressed willingness to borrow. These establishments, on average, have been in operation for more than three years. This suggests generation of income which, in turn, underlines permanence in time.

A caveat, however, is in order. There are income disparities between old and new Zarqa. The latter feature establishments that are probably smaller in number but larger, more modern, with commercial ties to suppliers and with the capacity to generate more revenues. The survey did not capture this important difference. It therefore behooves MFIs to take this fact into account at the moment of designing commercial strategies and loan products for the Zarqa area.

In general, potential customers of Zarqa have very little previous exposure to formal loans. To be effective, MFIs can learn from the terms that characterize supplier credit. Unfortunately, and not withstanding a high number of micro-enterprises with apparent access to trade loans (67% of sample), the survey captured a relatively small number of them which are currently soliciting trade or supplier loans. Whether this happened at random or underlined the presence of deeper factors (such as a recessive economic situation) is impossible to tell. In any event, the survey does throw important information on the terms of these loans that can be used by MFIs as a reference when designing the terms for their own products.

The profile of the typical micro-entrepreneur in Zarqa is one that combines moderate risk on loan default and moderate potential for loan demand. Notwithstanding Zarqa's reputation as a market prone to default among customers, a moderate risk profile is not impossible to overcome. To the contrary, as valuable experiences in so many other countries prove, MFIs can approach this issue by improving on techniques to gather more reliable information on borrowers' capacity and willingness to repay loans. As also revealed in East Amman, the advantage in Zarqa is that so many establishments can point to suppliers as source of character reference. MFIs can well benefit from this information and use it for their selection of customers.

The issue of moderate potential for loan demand can be addressed with educational information on what the MFIs offer and, fundamentally, with high quality services to prospective clients. In doing this, entrenched cultural traits that seem particular of Jordanian society, such as the propensity to incur in less borrowing as profits and business capitalization increase, must be taken into account. Equally important, measures that heighten the cultural identification of MFIs with the clients, i.e., the feeling that is their institution, must be stressed. On the other hand, timely disbursement of loans, adjustment of loan terms and conditions to shifting market signals, introduction of new loan and savings instruments, and last but not least, offering of incentives for prompt repayment and access to more loans are some of the most important pillars that underpin good service to clients.

The market survey provides extremely rich information on business establishments with characteristics that vary according to incomes, area, sector and gender. On this last point, the survey highlights the high potential found in women borrowers. In this regard, if Jordan proves to be no different from other countries with well developed microfinance industries, MFIs could well tap into a market niche with the prospect of high growth and very low default rates.

## **ANNEX A**

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### **Questionnaire for Determining the Market Specifics for Micro-financing Operations in Zarqa**

**QUESTIONNAIRE**

Serial Number: \_\_\_\_\_

Date : \_\_ / \_\_ / 1999

Name of Enumerator: \_\_\_\_\_

Name of Supervisor: \_\_\_\_\_

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**General Information**

A. Are you the financial decision-maker?

(1) Yes (2) No

*If NO, Stop the interview.*

B. Number of employees : ( \_\_\_\_\_ )

Full &amp; Part time Staff

*Stop interview if more than 10 employees.*

C. Area of business:

(1) Irbid (2) Zarqa

D. Business activity (please specify nature of business) :

1. Garment Manufacturing \_\_\_\_\_

2. Handicraft Production \_\_\_\_\_

3. Food Processing \_\_\_\_\_

4. Hairdressers \_\_\_\_\_

5. Wood-Furniture Manufacturing \_\_\_\_\_

6. Metal Workshops \_\_\_\_\_

7. Retail Trade \_\_\_\_\_

8. Restaurants \_\_\_\_\_

9. General Services \_\_\_\_\_

**STAGE I**

- (Q1) Age (years) ?  
 (1) < 35 (2) > 35 .....
- (Q2) Are any of your dependents attending school?  
 (1) No (2) Yes .....
- (Q3) Do you own any of the following assets?  
 (1) No Assets (2) Building, Land, Car .....
- (Q4) Who can vouch for your good character and goodwill?  
 (1) Relative/Friend (2) Supplier .....
- (Q5) Do you have any other source of income?  
 (1) No (2) Yes .....
- (Q6) How many years have you been operating the business?  
 (1) < 3 years (2) > 3 years .....
- (Q7) What are your average monthly sales (of highest season months)? (JD \_\_\_\_\_ )  
 - Highest monthly value: (JD \_\_\_\_\_ )  
 - Lowest monthly value: (JD \_\_\_\_\_ )
- (Q8) Would you borrow from bank, NGO or another credit institution if loans were available to you at favorable conditions?  
 (1) No (2) Yes

***If the answer is NO go to Q10, Else go to Q9***

- (Q9) IF YOU WERE TO TAKE OUT A LOAN, WHAT IS THE ESTIMATED LOAN AMOUNT YOU WOULD NEED? ( JD \_\_\_\_\_ )

- |                    |                    |
|--------------------|--------------------|
| 1- < JD200         | 2- JD200- JD650    |
| 3- JD651 - JD1000  | 4- JD1001 - JD1500 |
| 5- JD1501 - JD2000 | 6- JD2001 - JD3000 |
| 7- JD3001 – JD4500 | 8- JD4501 - JD7000 |
| 9- > JD7000        |                    |

Choice (1)	Choice(2)
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1	2
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1	2
---	---

1	2
---	---

1	2
---	---

1	2
---	---

1	2
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Score A	Score B
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(Score C):

- ♦ If Q9 < Q7 → C= 2
- ♦ If Q9 >= Q7 → C= 1
- ♦ If Q9 or Q7 Missing  
Then C = 0 (zero)

TOTAL = A+B+C
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<p><b>If Total &lt;= 8</b></p> <p><b>or</b></p> <p><b>If Q8 = 1 (No)</b></p>
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<p><b>DO NOT CONDUCT</b></p> <p><b>STAGE II</b></p>
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**Go to Q(11)**

(Q10) **IF NO**, What is the reason:

1. Lack of collateral
2. 2- Lack of financial documents
3. High interest and fees
4. Difficult and lengthy procedures
5. Availability of other accessible sources of finance
6. Lack of bank relations experience
7. Religious beliefs
8. Fear of inability to repay the loan
9. Do not trust banks
10. Do not like to be in debt
11. No need

**Go to Q(13)**

(Q11) What would you use the loan for?

*(Investigate if the loan will be used to expand the business or buy fixed assets to be used in business )*

(1) Business loan/buy fixed assets for business (2) Consumer Loan

(Q12) Can you provide any of the following as a guarantee for this loan when needed?

- (1) Fixed Assets (2) Bank Accounts/ Pension Account  
(3) GUARANTOR (4) NOTHING

(Q13) Education?

- |                        |                     |                               |                 |
|------------------------|---------------------|-------------------------------|-----------------|
| 1- Illiterate          | 2- Numerate         | 3- Read                       | 4- Read & Write |
| 5- Basic education     | 6- Secondary school | 7-Technical Education/Diploma |                 |
| 8- University graduate | 9- Post Graduate    |                               |                 |

(Q14) Sex: (1) Male (2) Female

(Q15) Business location:

- (1) House (2) Street (3) Store (4) Ambulant

(Q16) Is your business registered or licensed?

- (1) YES (2) NO

(Q17) What is the estimated present market value of your business assets? ( JD\_\_\_\_\_ ) *(excluding land and building but including merchandise. i.e. if you were to buy this operation now, in its current condition, how much would the value be or how much would you pay)*

(Q18) Do you have access to enough informal loans to cover any new investment you wish to undertake ?

(1) Yes (2) No

(Q19) Do you have access to a money lender for loans that will cover any new investment you wish to undertake ?

(1) Yes (2) No

(Q20) Do you have access to trade loans from your suppliers or customers?

(1) Yes (2) No

(Q21) Can you self-fund (in total) any new investment you wish to undertake ?

(1) YES (2) NO

(Q22) Have you ever used or applied for a formal loan from an institution (Bank, NGO, Governmental)?

(1) Yes (2) No

(Q23) What is your average Profit Margin? ( \_\_\_\_\_ % )

**STAGE 2****Personal Information**

- Q24) Total number of dependents? ( \_\_\_\_ )
- (Q25) Do you own or rent your house?  
 1- Own                      2- No Charge  
 3- Rent , How much is your monthly rent? (JD \_\_\_\_)
- (Q26) Do you have another employment or business venture in another area?  
 (1) YES                      (2) NO
- (Q27) If yes, do you earn more from your other employment or business venture than from this business?  
 (1) Yes                      (2) No

**Business Information**

- (Q28) Type of ownership:  
 1- Proprietorship  
 2- Partnership/ Limited Partnership/ Limited Liability
- (Q29) No. of employees (excluding owners) at start-up ? ( \_\_\_\_ )
- (Q30) Current number of full-time and part-time employees (excluding owners)? ( \_\_\_\_ )
- (Q31) Current number of unpaid family help ? ( \_\_\_\_ )
- (Q32) To whom do you sell? Who are your client circle?  
 1- Neighbors and Proximate community                      2- Middleman  
 3- Local NGO                      4- Private subcontractor                      5- other
- (Q33) How many competitors are there in the same market?  
 1- No competitors                      2- 1-2                      3- 3-5  
 4- 6-10                      5- 11+
- (Q34) How would you describe your location in terms of business activity?  
 1- Very busy                      2- Average                      3- Poor 4- Irrelevant
- (Q35) Do you plan to expand your business?  
 (1) Yes                      (2) No

(Q36) What affects your selling price? \_\_\_\_\_

(Q37) How much do you expect your business to grow over the next year (%): (\_\_\_\_)

Why? \_\_\_\_\_

(Q38) For the most important project that brings in the highest income, Do you work all year or seasonal ?

(1) Non- seasonal(All year)      (2) Seasonal

(Q39) How do you attract new customers?

(1) Word of Mouth                      (2) Advertising

(Q40) What was the amount of the most important and latest expenditure? (JD \_\_\_\_\_)  
(In terms of expansion or start up)

(Q41) How do you finance your present or future business investments?

1- Cash/Profit/Sales of assets    2- Bank loan

3- NGO Special Program loan 4- ROSCAs

5- Supplier loan

6- Family/Friends loan

7- No Source Exists

(Q42) Do you keep administrative records for your business?

(1) Yes                      (2) No

(Q43) Do you keep your household cash separate from your business cash?

(1) Yes                      (2) No

(Q44) What was the total value of your business operating expenses (*e.g. transportation, utilities etc.. **Including Labor** but Excluding merchandise* ) last year? (JD \_\_\_\_\_)

(45) What is the most significant constraint you are facing in the business now?

1. Weak Demand

2. Marketing and Distribution

3. Labor Problems

4. Raw Materials

5. Infrastructure

6. Costly Financing

7. Unavailability of Financing Sources 8. Insufficient Collateral

9. Domestic Competition

10. Imported Goods

11. Taxes

12. Government Procedures

13. Customer Problems

14. Technology and Equipment

## 15. Supplier Problems

## 16. Other

How much has the business grown in comparison with the past year (%): (\_\_\_\_\_)

**Credit Need Assessment**

(Q47) Number of other adults of same household working outside the enterprise? (\_\_\_\_)

***If None, Go To Q(49)***

(Q48) What is the total monthly income generated by other household members? (JD \_\_\_\_\_)

(Q49) Do you receive remittances from a family member abroad?

(1) Yes (2) No

(Q50) **If Yes**, How much did you receive over last year? (JD \_\_\_\_\_)

(Q51) How much do you spend per month on living expenses (food, clothing, transport, etc. *excluding rent*) for the family including dependents? ( JD \_\_\_\_\_ )

(Q52) Is your business income adequate to pay for your monthly share of the personal/family expenses?

(1) Yes (2) No

(Q53) **If not**, where do you get the additional cash to meet your monthly needs?

(Q54) Is your capital adequate to meet the current demand for your product/service?

(1) Yes (2) No

(Q55) **If capital is not enough**, how much more do you need per Month ? (JD \_\_\_\_\_)

**Suppliers Relation Information**

(Q56) Do you manufacture products for others (without purchasing inputs) ?

(1) Yes (2) No

(Q57) **If Yes**, Is that because you:

1- Do not know where to purchase the inputs

2- Do not have sufficient financing to buy inputs

3- Other

**With respect to the raw material or input most frequently used/largest in volume**

- (Q58) What were your total value of input purchases last year? ( JD \_\_\_\_\_ )
- (Q59) How many times did you purchase input materials during last year ( \_\_\_\_ ) ?
- (Q60) What is the longest period of time you have spent in business relationship with your supplier? ( \_\_\_\_\_ ) year.
- (Q61) How do you pay for your purchases:  
 1- Cash                      2- Credit                      3- Other: \_\_\_\_\_
- (Q62) **If you do not use** supplier credit, have you ever asked for one?  
 (1) Yes                      (2) No
- (Q63) **If you have asked** and been turned down, why? \_\_\_\_\_  
 \_\_\_\_\_
- (Q64) If you have **never** asked for credit, why not? \_\_\_\_\_  
 \_\_\_\_\_
- (Q65) **If you pay in cash**, What percentage of your purchases were in cash? ( \_\_\_\_ %)

**If Credit is not used as a method of payment go to Q(74)**

- (Q66) **If you pay on credit**, What percentage of your purchases were on credit ( \_\_\_\_ %)
- (Q67) How many times did you purchase on credit over the past year? ( \_\_\_\_\_ )  
*(prompt for daily, monthly .., if daily and continuous transaction consider 340 times)*
- (Q68) What was the average value of a credit transaction? (JD \_\_\_\_\_ )
- (Q69) What was the average of the down payment amount, if any? (JD \_\_\_\_\_ )  
*(Payment upon receiving the delivered material)*
- (Q70) What would be the price if paid in cash (Interest charges (%), difference between credit price and cash price)? ( \_\_\_\_\_ %)
- (Q71) After what time do you pay in full? What number of days has elapsed between delivery and full repayment? ( \_\_\_\_ ) days.

(Q72) Do you have to provide any guarantees (e.g. deposit required, post dated checks) ?  
(1) Yes (2) No

(Q73) Have you encountered problems paying these debts?  
(1) Yes , What was the reason? \_\_\_\_\_  
How did you deal with it? \_\_\_\_\_  
  
(2) No

### Client Relations

#### For the principal clients of the enterprise during the last 12 months

(Q74) How often do you sell your merchandise (during last 12 months) ? ( \_\_\_\_\_ )  
(prompt for daily, monthly etc..., if continuous consider 340 times)

(Q75) How do you get paid for your sales:  
1. Cash 2. Credit 3. Other

(Q76) **If Cash**, What percentage of your sales were in cash? ( \_\_\_\_ %)

**If Credit is not used as a method of payment go to Q(84)**

### CREDIT TRANSACTIONS

(Q77) What percentage of your sales were on credit ( \_\_\_\_ %)

(Q78) How many times did you sell on credit over the past year? ( \_\_\_\_\_ )  
(prompt for daily, monthly etc..., if continuous consider 340 times)

(Q79) What was the average value of credit sale transaction? (JD \_\_\_\_\_ )  
(If continuous consider all of the daily credit sum)

(Q80) What was the payment amount you ask for, if any upon delivery? (JD \_\_\_\_\_ )

(Q81) What would be the price if you get paid in cash (discount charges (%) , difference between credit price and cash price)? ( \_\_\_\_\_ %)

(Q82) After what time do you get paid in full? What time is elapsed between delivery and full repayment (days)? ( \_\_\_\_ ) days.



(Q83) Do you encounter problems in collecting payments? (1) Yes (2) No

What are they? \_\_\_\_\_

### **Saving Information**

(Q84) Do you save or set aside some money for emergencies (illness, school fees, etc.) or special purpose (weddings?)

(1) Yes (2) No

(Q85) Where do you keep your money?

1- Bank 2- In the house 3- With relatives  
4- Buy gold 5- Others

### **Potential Demand for Loans**

*Please refer back to Q(9) and re-check the amount of the requested loan and then continue with the next question*

(Q86) For how long would you need the loan of value \_\_\_\_\_?

1- 6 Months 2- One Year 3- Two Years  
4- Other , specify \_\_\_\_\_

(Q87) If an amount is added to the loan amount for administrative expense, do you have any objection?

(1) Yes, Why \_\_\_\_\_

(2) No

(Q88) If No objection to the administrative expenses, What would be a fair payment to be added to the principle loan for administrative expenses based on your estimated loan requirement until you have paid the whole amount of your loan? (JD \_\_\_\_\_ )

(Q89) How often would you be able to make your payments of principal and administrative charges?

1- Monthly 2- Bi-monthly 3- Semi-annually  
4- Annually 5- Other , specify \_\_\_\_\_

(Q90) What estimated percentage of increase in your monthly sales revenue will result from the loan usage? (\_\_\_\_ %) per month

(Q91) What is an affordable amount of installment you can pay considering your increased income due to increased sales? (JD \_\_\_\_\_ )

(Q92) On the assumption that you have repaid the loan in full and on time, and accordingly the lending institution is willing to give you incentives for your next loan, please rank the following incentives by order of importance (1 highest, ..)

- 1- Return the administrative charges of the first loan (\_\_\_\_)
- 2- Allow for a higher loan amount (\_\_\_\_)
- 3- Allow for a longer repayment period (\_\_\_\_)
- 4- Lower the administrative charges (\_\_\_\_)
- 5- Allow for immediate release of requested loan (\_\_\_\_)
- 6- Not interested since I do not need an additional loan (\_\_\_\_)

**Access To Informal Loans Information**

(Q93) Have you ever requested a loan from an informal source (friend, moneylender)

- (1) Yes (2) No

***IF NO, go to Q(102)***

(Q94) If yes, From which source?

1. Colleagues 2. Friends/neighbor 3. Family 4. Money Lender

(Q95) How many times did you receive loans you have borrowed during the past 12 months?

( \_\_\_\_ )

***If no loan was received, Go to Q(102)***

**If any loan was received, then for the most important informal loan**

(Q96) From which source?

1. Colleagues 2. Friends/neighbor 3. Family  
4. Money Lender 5. More than one

(Q97) How many days between loan request and disbursement? ( \_\_\_\_ ) days

(Q98) What was the amount in cash? (JD \_\_\_\_ )

(Q99) For how long did you use the loan until you repaid it ? ( \_\_\_\_ ) days

*(Whenever the case that period was not specified , please write “ priod was not specified”*

(Q100) How much did you pay back? (JD \_\_\_\_ )

*(To find out if there was any interest charged)?*

(Q101) If you provided a collateral, what was its value? ( JD \_\_\_\_ )

**Credit Experience**

(Q102) Are you aware of any credit programs in Jordan?

- (1) Yes (2) No

(Q103) Have you ever applied for a loan to an institution (bank, NGO, )?

- (1) Yes (2) No

***IF NO, go to Q(119)***

(Q104) **If Yes** and application was rejected, What was the reason?

- |                              |                                |
|------------------------------|--------------------------------|
| 1- Lack of collateral        | 2- Lack of financial documents |
| 3- Lack of credit experience | 4- Business not registered     |
| 5- Lack of spouse's approval | 6- Bad credit history          |
| 7- Other                     |                                |

**Go to Q(119)**

**If The Entrepreneur Received a Loan from an Institution**

(Q105) Number of Loans received from institutions during the past 12 months? ( \_\_\_\_ )

***IF zero, go to Q(119)***

**For the most important loan facility used during the past 12 months indicate:**

(Q106) From which institution? \_\_\_\_\_

(Q107) What did you use the loan for?

- 1- Business loan/Buy fixed assets for business    2- Consumer loan

(Q108) How many days between loan application and disbursement? ( \_\_\_\_ ) days

(Q109) Amount of loan requested? (JD \_\_\_\_ )

(Q110) Amount of loan approved? (JD \_\_\_\_ )

(Q111) Amount of loan received? (JD \_\_\_\_ )

(Q112) For how long was the loan (Maturity period)? ( \_\_\_\_ ) months

(Q113) Amount of installment? (JD \_\_\_\_ )

(Q114) Interest charged (including fees)? ( \_\_\_\_ %)

(Q115) Type of Collateral:

- |              |                                 |                   |
|--------------|---------------------------------|-------------------|
| 1- Building  | 2- Land                         | 3. Machinery /Car |
| 4- Inventory | 5- Bank Account/Pension Account |                   |
| 6- Guarantor | 7- No collateral                |                   |

(Q116) Collateral value amount? ( JD \_\_\_\_ )

(Q117) Were you satisfied and comfortable with the loan conditions?

(1) Yes

(2) No, What was the reason? \_\_\_\_\_

(Q118) Have you ever been late in repaying the installments?

(1) Yes, What was the reason? \_\_\_\_\_

How did you solve the problem of being late in repayments

\_\_\_\_\_  
\_\_\_\_\_

(2) No

(119) How would you like to know more about micro-finance loans?

1- Newspapers

2- TV/Radio

3- Community Organizations

4- Bank Officers/direct solicitation

5- Other

(Q120) Would you like a Micro-credit Officer to visit you?

(1) Yes

(2) No

## BASIC INFORMATION

Name of Establishment: \_\_\_\_\_

Address: \_\_\_\_\_

Respondent Name: \_\_\_\_\_

Best Time to Visit Day = Time=

## ANNEX B

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### Survey Statistics

#### I. Highlights

Sample:	1,191 establishments
Value of Business Assets (median):	JD1,600
Monthly Sales (median):	JD600
Business Operating Expenses in 1999 (median):	JD900 (excluding merchandise)
Yearly value of merchandise purchases (median):	JD3,600
Most important and latest expenditure: (median):	JD500
Reported Profit Margin (median):	30%

#### Potential Size of the Market

Estimated SME Population of Zarqa:	
Formal Establishments:	11,444
Informal Establishments:	7,095
Formal Establishments:	
Willingness to Borrow:	71%
Loan Size (median):	JD3000
Total (F):	JD24.4 million
Informal Establishments:	
Willingness to Borrow:	85.5%
Loan Size (median):	JD2000
Total (I):	JD12.1 million
<b>Total: (F + I):</b>	<b>JD36.5 million</b>

## II. Profile of the Market

### 2.1 Distribution of the Sample by Business Activity (QD)

Sector	Frequency	Percentage
Garment	52	4.4
Handicraft Production	82	6.9
Food Processing	24	2.0
Hairdressers	72	6.0
Wood-Furniture Manufacturing	40	3.4
Metal Workshops	16	1.3
Retail Trade	700	58.8
Restaurants	40	3.4
General Services	165	13.9
<b>Total</b>	<b>1,191</b>	<b>100.0</b>

### 2.2 Typologies (% of sample)

Moderate Risk/Moderate Potential:	67.2
Moderate Risk/Low Potential:	10.0
Moderate Risk/High Potential:	5.4
Low Risk/Moderate Potential:	5.2
Low Risk/Low Potential:	0.8
Low Risk/High Potential:	0.1
High Risk:	11.3

### 2.3 Basic Characteristics of the Sample

*Q14: Sex*

#### Frequency %

Male	932	78.3
Female	259	21.7
<b>Total</b>	<b>1,191</b>	<b>100.0</b>

*Q16: Is your business registered or licenced?*

	Frequency	%	Male (%)	Female (%)
Yes	736	61.8	73.6	19.3
No	455	38.2	26.4	80.7
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q1: Age*

	Frequency	%	Male (%)	Female (%)
<35	542	45.5	46.1	41.2
>35	649	54.5	53.9	57.8
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q15: Business Location*

	Frequency	%	Male (%)	Female (%)
House	206	17.3	2.1	71.8
Street	28	2.4	2.7	1.2
Store	943	79.2	93.9	26.3
Ambulant	14	1.2	1.3	0.8
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q3: Do you own assets?*

	Frequency	%	Male (%)	Female (%)
Yes(*)	553	46.4	48.6	38.6
No	638	53.6	51.4	61.4
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Land, car, building

*Q6: How many years have you been operating the business?*

	Frequency	%	Male (%)	Female (%)
<3 years	349	29.3	29.3	29.3
>3 years	842	70.7	70.7	70.7
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q5: Do you have any other source of income?*

	Frequency	%	Male (%)	Female (%)
No	847	71.1	74.4	59.5
Yes	344	28.9	25.6	40.5
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>





*Q13: Education*

	Frequency	%	Male (%)	Female (%)
Illiterate	76	6.4	2.6	20.1
Numerate	8	0.7	0.5	1.2
Read	9	0.8	0.3	2.3
Read & Write	126	10.6	9.5	14.7
Basic	372	31.3	32.9	25.5
Secondary	359	30.2	32.2	23.2
Technical	173	14.6	15.9	9.7
Diploma	60	5.1	5.6	3.1
Graduate	5	0.4	0.4	0.4
<b>Total</b>	<b>1,188</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q2: Are any of your dependents attending school?*

	Frequency	%	Male (%)	Female (%)
No	485	40.7	40.5	41.7
Yes	706	59.3	59.5	58.3
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q18: Do you have access to enough informal loans? (\*)*

	Frequency	%	Male (%)	Female (%)
Yes	325	27.3	29.5	19.3
No	866	72.7	70.5	80.7
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Loans from friends and family

*Q19: Do you have access to a moneylender for loans?*

	Frequency	%	Male (%)	Female (%)
Yes	66	5.5	5.0	7.3
No	1,125	94.5	95.0	92.7
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q20: Do you have access to trade loans from suppliers?*

	Frequency	%	Male (%)	Female (%)
Yes	797	66.9	71.6	50.2
No	394	33.1	28.4	49.8

<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
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*Q4: Who can vouch for your good character and goodwill?*

	<b>Frequency</b>	<b>%</b>	<b>Male (%)</b>	<b>Female (%)</b>
Relative/Friend	242	20.3	10.4	56.0
Supplier	949	79.7	89.6	44.0
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q21: Can you self fund (in total) any investment you wish to undertake?*

	<b>Frequency</b>	<b>%</b>	<b>Male (%)</b>	<b>Female (%)</b>
Yes	235	21.4	24.4	10.8
No	955	78.5	75.6	89.2
<b>Total</b>	<b>1,190</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q22: Have you ever used or applied for a loan from a formal institution? (\*)*

	<b>Frequency</b>	<b>%</b>	<b>Male (%)</b>	<b>Female (%)</b>
Yes	285	23.9	22.1	30.5
No	906	76.1	77.9	69.5
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Bank and/or NGO

## 2.4 Willingness to Borrow

*Q8: Would you borrow from a bank, NGO or another credit institution if loans were available to you at favorable conditions?*

	<b>Frequency</b>	<b>%</b>	<b>Male (%)</b>	<b>Female (%)</b>
No	279(*)	23.5	26.9	11.2
Yes	910	76.5	73.1	88.8
<b>Total</b>	<b>1,189</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, 111 (40%) said because of no need, 72 (26%) because of fear to incur in debt, and 47 (17%) because of religious reasons.

*Q9: If you were to take a loan, what is the estimated amount you would need?*

JD	Frequency	%	Male (%)	Female (%)
<200 - 650	71	7.8	3.8	19.6
651 - 1000	118	13.0	12.3	15.2
1001 - 2000	193	21.2	21.5	20.4
2001 - 3000	135	14.8	15.3	13.1
3001 - 4500	62	6.8	6.9	20.3
4501 - 7000	221	24.3	24.6	9.6
>7000	110	12.1	15.6	1.7
<b>Total</b>	<b>910</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q11: What would you use the loan for?*

	Frequency	%	Male (%)	Female (%)
Business	810	89	91.0	83.0
Consume	100	11	9.0	17.0
<b>Total</b>	<b>910</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q12: Can you provide any of the following as guarantee for this loan?*

	Frequency	%	Male (%)	Female (%)
Fixed Assets	277	30.4	34.1	18.7
Bank Account	112	12.3	11.8	13.5
Guarantor	398	43.7	41.7	48.7
Nothing	123	13.6	12.4	19.1
<b>Total</b>	<b>910</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### III. Business Structure

#### 3.1 General Information

*QA: Number of Employees*

	Frequency	%	Male (%)	Female (%)
0	829	69.6	64.8	86.9
1	202	17.0	20.0	12.0
2	86	7.2	13.8	
3	42	3.5		
4	16	1.3		
5	8	0.7		
>5	8	0.7	1.4	1.2
<b>Total</b>	<b>1,191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q32: Whom do you sell?*

	Frequency	%	Male (%)	Female (%)
Neighbors(*)	783	94.9	97.1	87.1
Middlemen	14	1.7	0.5	6.2
Local NGO	11	1.3	0.2	5.6
Private subcontractor	12	1.5	1.5	1.1
Other	5	0.6	0.8	---
<b>Total</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Includes proximate community

*Q33: How many competitors are in the same market?*

	Frequency	%	Male (%)	Female (%)
None	271	32.8	29.3	45.5
1 - 2	182	22	22.8	19.1
3 - 5	156	18.9	19.9	15.2
6 - 10	72	8.7	9.3	6.7
11 +	144	17.6	18.7	13.5
<b>Total</b>	<b>826</b>	<b>100.0</b>	<b>100.0</b>	<b>100.9</b>

*Q34: How would you describe your location in terms of business activity?*

	Frequency	%	Male (%)	Female (%)
Very Busy	237	28.8	30.9	21.0
Average	396	48.1	52.2	33.0
Poor	130	15.8	14.7	19.9
Irrelevant	60	7.3	2.2	26.1
<b>Total</b>	<b>823</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q35: Do you plan to expand your business?*

	Frequency	%	Male (%)	Female (%)
Yes	705	85.5	78.7	85.5
No	120	14.5	21.3	14.5
<b>Total</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q36: What affects your selling price?*

	Frequency	%
Market Demand	191	23.1
Fixed Prices	140	16.9
Price of Inputs	119	14.4
Competition	126	15.2
Price Haggling	89	10.7
Merchandise Quality	66	7.9
Other	95	11.5
<b>Total</b>	<b>826</b>	<b>100.0</b>

*Q45: What is the most significant constraint you are facing in the business now?*

	Frequency	%
Weak Demand	196	33
Unavailability of Finance	187	32
Customer Problems	77	13
Domestic Competition	65	11
Government Procedures	36	6
Technology & Equipment	18	3
Taxes	11	2
<b>Total</b>	<b>590</b>	<b>100.0</b>

*Q37: What factors will affect business growth next year?*

	Frequency	%
Good Management	128	21.6
Static/Bad Economic Situation	105	17.7
Better Economic Situation	92	15.5
Availability or Lack of Finance	128	21.6
Low Purchasing Power	108	18.2
Quality of Merchandise	31	5.2
<b>Total</b>	<b>592</b>	<b>100.0</b>

*Q38: Do you work all year or seasonal?(\*)*

	Frequency	%	Male (%)	Female (%)
All Year	1,175	99	99.0	99.2
Seasonal	10	1	1.0	0.8
<b>Total</b>	<b>1,185</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) For the most important project that brings in the highest income.

*Q39: How do you attract new customers?*

	Frequency	%	Male (%)	Female (%)
Word of Mouth	778	94.5	93.2	95.0
Advertising	45	5.5	6.8	5.0
<b>Total</b>	<b>823</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q42: Do you keep administrative records for your business?*

	Frequency	%	Male (%)	Female (%)
Yes	313	37.9	39.4	32.8
No	512	62.1	60.6	67.2
<b>Total</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q43: Do you keep your household cash separate from your business cash?*

	Frequency	%	Male (%)	Female (%)
Yes	354	43.2	42.9	43.5
No	469	56.8	57.1	56.5
<b>Total</b>	<b>823</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q56: Do you manufacture products for others (without purchasing inputs)?*

	Frequency	%	Male (%)	Female (%)
Yes	110(*)	13.3	5.7	41.0
No	714	86.7	94.3	59.0
<b>Total</b>	<b>824</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, almost 50% (49) cited lack of sufficient financing as main reason.

### 3.2 Financial Information

*Q41: How do you finance your present or future business investments?*

	Frequency	%	Male (%)	Female (%)
Cash/Profit/Sales of Assets	269	32.7	33.2	30.9
Bank Loan	79	9.6	11.5	2.8
NGO Loan	107	13.0	12.1	16.3
Roscas	31	3.8	3.9	3.4
Supplier Loan	30	3.6	4.5	0.6
Family/Friends Loan	57	6.9	7.8	3.9
No Source Exists	250	30.4	27.1	42.1
<b>Total</b>	<b>823</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q25: Do you own or rent your house?*

	Frequency	%	Male (%)	Female (%)
Own	430	52.1	50.2	59.0
Rent	396(*)	47.9	49.8	41.0
<b>Total</b>	<b>826</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, 85 reported not being charged for rent.

*Q49: Do you receive remittances from a family member living abroad?*

	Frequency	%	Male (%)	Female (%)
Yes	66	8.0	8.1	7.9
No	755	92.0	91.9	92.1
<b>Total</b>	<b>821</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q52: Is your business income adequate to pay for monthly share of personal/family expenses?*

	Frequency	%	Male (%)	Female (%)
Yes	518	63.1	70.3	36.6
No	303(*)	36.9	29.7	63.4 (**)
<b>Total</b>	<b>821</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) For these, family members (38%) and other work and rents (34%) constitute the main sources of additional cash.

(\*\*) Income from other family members constitute the main source of additional cash.

*Q54: Is your capital adequate to meet the current demand for your product/service?*

	Frequency	%	Male (%)	Female (%)
Yes	571	69.5	67.4	77.3
No(*)	250	30.5	32.6	22.7
<b>Total</b>	<b>821</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) On average, these would need JD411 to meet demand

*Q75: How do you get paid for your sales?*

	Frequency	%
Cash	796	96.6
Credit	28	3.4
<b>Total</b>	<b>824</b>	<b>100.0</b>





*Q84: Do you save or set some money aside for emergencies?*

	Frequency	%	Male (%)	Female (%)
Yes	457	55.5	55.6	54.8
No	367	44.5	44.4	45.2
<b>Total</b>	<b>824</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

#### IV. Information on Supplier Loans

*Q61: How do you pay for your purchases?*

	Frequency	%
Cash	594	78.5
Credit	163	21.5
<b>Total</b>	<b>757</b>	<b>100.0</b>

#### *Credit Terms and Conditions (Q67 - Q73)*

- (1) Value of Credit Transaction (median): JD102.5  
     Male: JD125  
     Female: JD31
- (2) Credit Obtained in 1999 (median): 37 times  
     Male: 48 times  
     Female: 7 times
- (3) Downpayment, sample (median): JD 0
- (4) Interest Rate, Sample:(a) 5.9%, in 57% of cases  
     0% in 43% of cases
- (5) Duration of Credit (median): 30 days, for males and females
- (6) Deposit or Post dated checks required: In 30% of cases  
     Male: 33.8% of cases  
     Female: 7% of cases
- (7) Problems in paying back credit:(b) In 20% of cases  
     Due to insufficient cash or income: 88% of these cases.
- (8) Problems solved by:  
     Negotiating extension of credit: 71% of cases  
     Loan from friend: 18% of cases  
     Drawing from personal holdings: 11% of cases.
- (a) **Male sample**: 6% in 59% of the case, 0% in 41% of the cases. **Female sample**: 4% in 43% of the cases, 0% in 57% of the cases.
- (b) Only 9.1% of female sample, as opposed to 22% of the male sample.

## V. Information on Informal Loans

*Q93: Have you ever requested a loan from an informal source (friend, family, moneylender)?*

	Frequency	%	Male (%)	Female (%)
Yes	228(*)	27.7	25.6	35.4
No	595	72.3	74.4	64.6
<b>Total</b>	<b>823</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Sources are: family: 113 (49%); friends: 105 (46%); and colleagues: 10 (5%)

### *Loan Characteristics (Q95 - Q101)*

- (1) Value of Loan (median): JD400  
     Male: JD500  
     Female: JD200
- (2) Number of Loans obtained in 1999 (median): 1, for males and females
- (3) Average Interest Rate:(a) 0% in 97.5% of cases
- (4) Duration of loan (median): 60 days, for males and females
- (5) Time of Disbursement (median): 1 day, for males and females
- (6) Collateral Required: In 33% of cases, for males and females
- (a) For females interest rate was zero in 100% of cases.

## VI. Information on Formal Credit Experience

*Q102: Are you aware of any credit programs in Jordan?*

	Frequency	%	Male (%)	Female (%)
Yes	514	62.3	60.7	68.0
No	311	37.7	39.3	32.0
<b>Total</b>	<b>825</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q103: Have you ever applied for a loan from a financial institution?*

	Frequency	%	Male (%)	Female (%)
Yes	227(*)	27.6	25.6	35.0
No	594	72.4	74.4	65.0
<b>Total</b>	<b>821</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(\*) Of these, only 33 were turned down, mainly because of collateral

*Q105 - Q106: Number and source of loans received in last 12 months:*

	Frequency	%
Bank	53	55.2
NGO	43	44.8

<b>Total</b>	<b>96(*)</b>	<b>100.0</b>
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(\*) Of these, 67 (70%) were business loans, and 29 (30%) consumer loans.

### *Formal Loan Conditions and Characteristics (Q108 - Q116)*

(1) Value of Loan (median):	JD1,000
(2) Time of Disbursement (median):	7
(3) Average Interest Rate:	12.6%
(4) Loan Term (median):	13 months
(5) Collateral Required:	In 85% of cases
Guarantor:	In 45% of cases
Bank Account:	In 30% of cases.
Collateral Value/Loan Value (median):	100%

### *Q117: Were you satisfied and comfortable with loan conditions?*

	<b>Frequency</b>	<b>%</b>
Yes	54	56.8
No	41(*)	43.2
<b>Total</b>	<b>95</b>	<b>100.0</b>

(\*) Of these, 30 respondents (75%) attributed dissatisfaction to high interest rates.

### *Q118: Have you ever been late in paying the installments?*

	<b>Frequency</b>	<b>%</b>
Yes(*)	5	5.3
No	90	94.7
<b>Total</b>	<b>95</b>	<b>100.0</b>

\*All males. Females reported they were never late.

## **VII. Preferred Loan Terms**

### *Q119: How would you like to know more about micro-loans?*

	<b>Frequency</b>	<b>%</b>	<b>Male (%)</b>	<b>Female (%)</b>
Newspapers	72	8.8	9.5	6.2
TV/Radio	182	22.1	20.3	28.8
Community Organizations	16	1.9	1.1	5.1
Bank Officers	552	67.2	69.1	59.9
<b>Total</b>	<b>822</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Q120: Would you like a micro-officer to visit you?*

	Frequency	%
Yes(*)	811	98.5
No	12	1.5
<b>Total</b>	<b>823</b>	<b>100.0</b>

(\*) 100% of females, 98.1% of males

(1) Loan Size (median):	Male: JD3000 Female: JD2000	JD3,000
(2) Loan Term (median):	Male: 5 months Female: 8 months	5 months
(3) Do not object addition of administrative fee:	Male: 73% of cases Female: 62% of cases	81% of cases
(4) Administrative fee deemed acceptable (median):	Male: 3% Female: 0%	2.5%
(5) Frequency of repayment:		Monthly, in 98% of cases for males, 100% in females..
(6) Affordable installment (median):	Male: JD75/month Female: JD50/month	JD60 per month.
(7) Best incentive in case of prompt payment:		
Allow for immediate release of next loan:		62% of cases
Lower administrative charges:		15% of cases
Return administrative charges of first loan:		10% of cases

